JOURNAL
OF AMERICAN INSURANCE

MARCH 1960 Vol. 36—No. 3

What the Experts Say About Speed

They Specialize in Subduing Calamities

The New Look in an Old Industry

A Fate Doctors Fear: Liability

How Your Auto Policy Might Pay $18,000

Noted Men in Insurance Annals

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FRONT COVER—*First Foreign Affairs Office*

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Photos Courtesy U. S. Department of State

OUR COVERS

WHEN AMERICA was very young, the tiny brick structure (front cover) was an ample cradle for the robust, global power that the U. S. Department of State has become today. For there, at 13 South Sixth Street, Philadelphia, this building only 12 feet wide and 30 feet deep was all the space needed for the staff and functions of Robert Livingston, first Secretary of Foreign Affairs, 1781-83.

Mutual insurance in America was already 29 years old at that stage, dating from Benjamin Franklin's founding of the Philadelphia Contributionship in 1752. Thus our foreign affairs had common origin with successful U. S. insurance, for Franklin had been chairman of the Continental "Committee of Secret Correspondence," later renamed "Committee for Foreign Affairs," which was the genesis of Secretary Livingston's department.

This March the global girth of our foreign affairs is symbolized by the new Department of State edifice (back cover) nearing completion in Washington, D. C. For more details see *Annals*, Page 5.

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Top authorities, in this JOURNAL *exclusive, debate the pros and cons in our speed-slaughter complex.*

SHOWDOWN ON SPEED

THIS IS the anniversary month of two "Molochs" —the automobile and motor-driven speed — veritable modern-day gods to which the nation has sacrificed 1⅓ million lives, another 3 million to 4 million permanently injured, and a property-damage total exceeding $90 billion in a little more than half a century.

Sixty-four years ago, on March 6, 1896, Charles Brady King rode around the streets of Detroit in his "horseless carriage," the first automobile to appear on the streets of what has become the "motor capital of America." Thirty-three years ago, on March 29, 1927, Major Henry Segrave became famous for the first motor-vehicle speed exceeding 200 miles an hour when he averaged 203 miles an hour at Daytona Beach, Florida.

Today our annual toll from this auto-speed complex is 37,800 killed and 1,400,000 injured, according to preliminary 1959 figures of the National Safety Council. Mounting concern over automobile insurance rates is only one corroboration of congressional reports that highway safety has become "one of the major challenges of our time."

Or, take the word of an Air Force officer who is credited with having mastered fear and who is now in the pre-eminent position of director of the Geophysics Research Directorate, Air Force Cambridge Research Center, Bedford, Massachusetts:

"Do you know the most dangerous thing I do? Drive. Drive a car. I don't take my car out on Sundays or holidays if I can help it. That's when these crazy drivers kill you. Driving dangers have become so familiar that people forget them or are contemptuous of them. That may be the chief cause of accidents."

Colonel Ernest A. Pinson, USAF, who said that, has the fearlessness to tackle anything important if the risks are within reason. His apprehensive views about present-day driving and traffic conditions are available to the *Journal* through his special permission and that of the *Saturday Evening Post* which published a recent article on his exploits.

Concerning auto speed, Colonel Pinson has an illustration often used in his briefing of pilots: "At zero speeds all cars on the road stand still, nobody runs into anybody, there are no traffic accidents—and nobody gets anywhere. As soon as cars begin to travel at even one mile per hour, somebody does some cockeyed thing and there's a foul-up. As speeds increase, the accident potential increases.

"There's no absolutely safe speed above zero speed, only relatively safe speeds. Anyone who rides, drives or does anything runs into danger. . . . Be a little scared if being scared helps. People who say they 'don't know fear' are either awfully courageous or they don't have good sense. But keep figuring what to do. Make the best guesses you can, and don't panic."

Until our 82 million auto drivers can master panic and we can correct other frailties of man,

motors and highways, speed continues to be the factor most often reported in fatal motor-vehicle accidents. No accident ever happens unless some car is going too fast to stop in time. About one-third of all our fatal accidents are plain cases of speed violations. In this double anniversary month of the auto and of motor speed, the *Journal* presents this showdown on the controversy—and the problem—by some of the country's leading authorities.

First step: enforcement . . .

On our new expressways and toll roads, controlled speed enables a motorist to progress rapidly and safely over long distances. On the other hand, speed too fast for conditions on ordinary streets and highways is inexcusable and undoubtedly the prime cause of many accidents.

From a woman's viewpoint, the driver who speeds through traffic only to be forced to wait at the next stoplight or the impatient motorist who takes unnecessary chances in order to pass a truck on the highway is acting in a foolish and juvenile manner.

More adequate enforcement of reasonable speed limits offers the first step in meeting the problem. Driver improvement courses offer a followup step to correct the actions of speeders. And high school driver education plus more selective driver licensing offer our best long-range program for dealing with the problem.—AGNES D. BEATON, *Director, Women's Division, The Allstate Insurance Companies.*

Speed major factor, but . . .

Speed represents one important major factor in traffic fatalities and injuries. Frequently it is the direct cause of loss of control of the vehicle, leading to tragedy. It also provides the crushing force which too often unnecessarily adds to the seriousness of a collision. But speed figures only in relation to attendant conditions. To attribute the bulk of our vehicle collisions to speed alone, or to any other one specific cause, is a dangerous oversimplification. Proper perspective is essential, and we must recognize many other potential accident-causing violations, such as failure to yield right of way. —EDWARD C. FISHER, *Associate Counsel, The Traffic Institute, Northwestern University.*

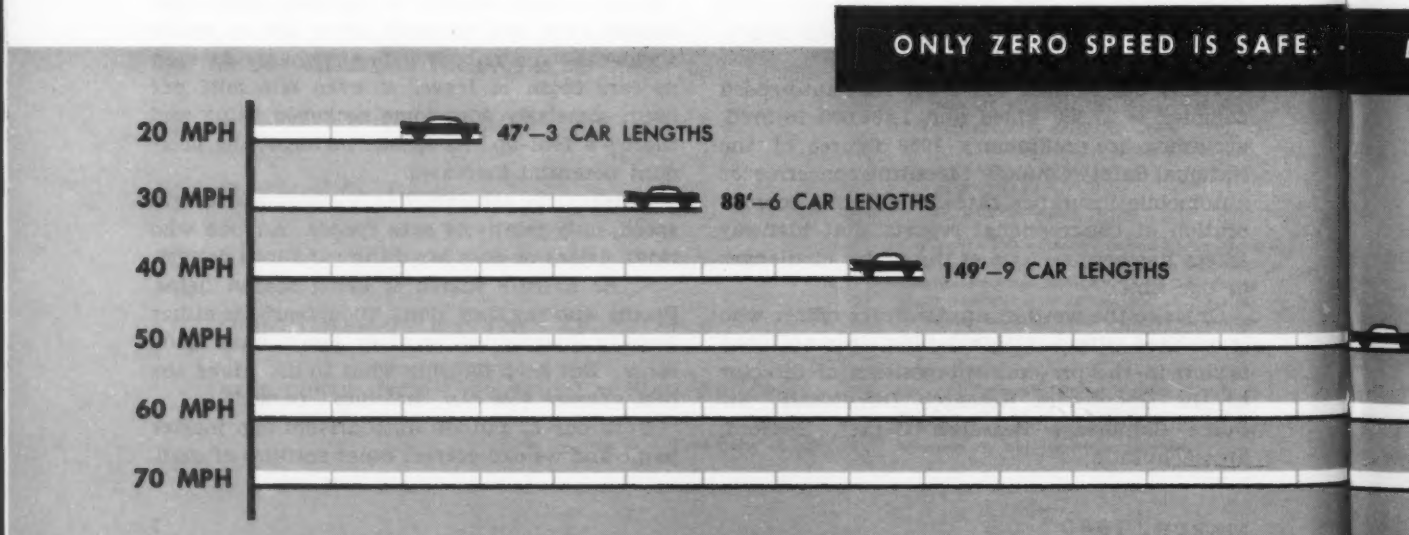
'Control' significant factor . . .

Uncontrolled speed is a significant cause of highway accidents. But a predetermined speed limit will not prevent them. The significant factor in highway safety is control—control of traffic and control of the car. Every improvement in highway design accommodates more traffic and speeds up its movement. There remains much to be learned about driver response to road and traffic conditions. Some of these 'human factors' will be built into the highway itself. There will come a condition of traffic control in which the car can be predicted to remain within safe speed limits.

Control of the car is a matter of skill and attitude. Dangerous speed is not undertaken by a safe driver. To correct the converse, I would suggest re-examining of all the influences now directed to the driver's motivations and overhaul those that encourage speed.—ARTHUR S. JOHNSON, *Vice President — Engineering, American Mutual Liability Insurance Company.*

Driving conditions govern . . .

The importance of speed in the causation of traffic accidents is often obscured by consideration



of speed as such, rather than speed as related to driving conditions. Extensive studies reported in *The Federal Role in Highway Safety* give convincing evidence that on properly engineered rural highways accident frequency and severity rates are at their lowest in the speed range of 45 to 70 miles per hour. The report also concludes that the findings cannot be interpreted to mean that any given speed is safer than another for all conditions. Speed must be related to conditions, and the lowest as well as the highest speeds can be unsafe under particular conditions.—E. H. HOLMES, *Assistant Commissioner for Research, U. S. Bureau of Public Roads.*

Other factors weightier . . .

There is a popular fallacy that a small minority of drivers are responsible for nearly all of the speeding on streets and highways and that ruling this group off the road would increase safety immensely. However, studies show that at one time or another the majority of drivers exceed safe speeds.

A review of Chicago's accident experience over the past 10 years shows that slightly less than 10 per cent of the drivers determined to be at fault in accidents were charged with exceeding stated or safe speed limits. In the hundreds of reports of speed-associated accidents that I have studied, there was ample evidence that other factors played a more significant part as causes than speed itself. While concentration of efforts on habitual speeders may have some emotional appeal, results in terms of accident reduction are usually disappointing. It takes a well-balanced program of the three E's—education, engineering, and enforcement—to achieve any substantial decrease in the traffic toll.—CHARLES S. MICHALSKI, *Traffic Engineer, Citizens Traffic Safety Board of Metropolitan Chicago.*

Increasingly dangerous . . .

Any driver who does not take speeding very seriously is badly mistaken. We know for certain that speed makes the difference between death and survival in many accidents. My organization is engaged in intensive research to determine with precision what the relationships are between enforcement action and speeding. We expect these studies to tell us what the police can do to combat speed with maximum effectiveness. We don't know much exactly about speed and its effects. We do know that it is increasingly dangerous.—RAY ASHWORTH, *Director, Field Service Division, International Association of Chiefs of Police.*

Excessive control decried . . .

Everyone is opposed to excessive speed but controversy arises concerning methods of eliminating it. High speed in the basic sense is good and is desired by motorists. This is the age of high-speed communications, travel, production and living.

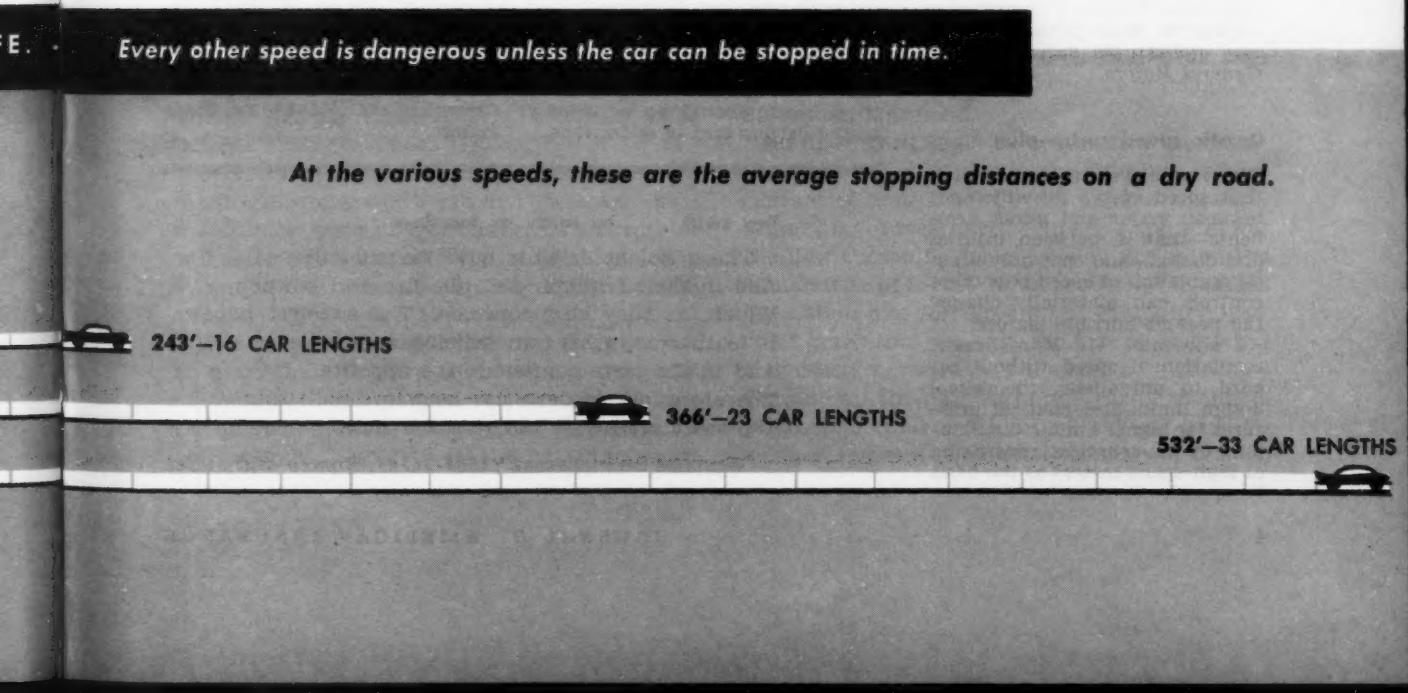
An accident at any speed level involves excessive speed. Fundamentally, the accident is usually caused by surprise or misjudgment. The disaster develops more rapidly than the drivers' ability to avert it. Thus the time required to avoid an accident becomes a critical factor. This time element does not depend on speed alone.

More study and research of the relationships of the physical road, the driver and his vehicle in accident situations are required to determine accurately the true importance of speed as a time factor. Without this knowledge, excessive control measures are not a reasonable or a practical solution.—FRED W. HURD, *Director, Bureau of Highway Traffic, Yale University.*

Speed must increase, safely . . .

The primary purpose of our highway transportation system is for the swift, efficient movement of people and goods. Maximum speed, with minimum losses due to accidents, is a necessary ingredient to accomplish this purpose.

In safety work we often lose sight of this necessity, with the reasoning that slower movement is the panacea for any disturbance to our transportation system. However, our need is to continue to find better ways of moving traffic faster and, at the same time, continue to improve our safety record.—FLETCHER N. PLATT, *Manager, Traffic Safety and Highway Improvement Department, Ford Motor Company.*


Every other speed is dangerous unless the car can be stopped in time.
At the various speeds, these are the average stopping distances on a dry road.
243'—16 CAR LENGTHS
366'—23 CAR LENGTHS
532'—33 CAR LENGTHS

Showdown on Speed

Speed curbs effective . . .

There is a definite correlation between speed and death on the highways.

When Illinois' new traffic safety program was enacted in 1957, absolute speed limits comprised an integral part of that program. This, of course, was coupled with increased enforcement through a doubled state police force and other new stringent rules which are not part of this discussion.

We are, however, convinced that the speed limit law and its enforcement has contributed decidedly to the number of lives we have been able to save since it became law—a reduction which currently runs about 17 per cent. —WILLIAM G. STRATTON, *Governor, Illinois.*

More research needed . . .

Driving at excessive speed is obviously a leading traffic hazard.

However, control programs should be based upon definition of 'excessive speed' as any speed too fast for conditions—not solely extremely high speed. Moreover, speed control should not be overemphasized at the expense of adequate attention to other major types of improper driving.

There is no simple nor single solution. Competent research must provide more facts as a sound basis for establishing speed limits, enforcing them and encouraging voluntary compliance. —LIGHT B. YOST, *Director, Highway and Traffic Safety Section, General Motors.*

Drastic speed curbs—plus . . .

The inescapable conclusion is that speed makes the difference between major and minor accidents—that is, between injuries and deaths—and that only drastic regulation of speed plus other controls can materially change the present horrible picture.

I advocate: (1) More drastic regulation of speed without regard to unrealistic, theoretical design limits and political pressures for higher limits. (2) Stopping of the senseless advertising of high-speed motors as the basis of sales. (3) An unrelenting campaign to acquaint the public with the cause and effect of accidents and especially the terrible danger of excessive speed. (4) Continuance of efforts to obtain uniform laws and regulations governing the speed of motor vehicles with reasonable local control. (5) Closer cooperation among all regulatory agencies, including the various administrative officials, the police and the courts in the rigorous and impartial enforcement of proper speed limits.—ROBERT MOSES, *Head, Parkways Systems, New York City.*

Driver judgment paramount . . .

Speed is significant in traffic accidents, but primarily as "excess speed for existing conditions," rather than speed merely greater than posted or legal limits. Admittedly higher speeds produce more kinetic energy which increases vehicle damage and possibility of personal injury. Also minimum stopping distances increase rapidly with greater speeds.

Legal speed limits will never supplant judgment of the operator in today's heavy traffic. Fatalities can easily occur even at speeds less than 25 mph if other impact conditions are unfavorable.—L. H. NAGLER, *Staff Engineer—Safety, Office of Director of Engineering, American Motors Corporation.*

Mental lapses blamed . . .

Speed is a matter of relativity. On wide and open roads such as our expressways and toll roads, speed could and probably should be increased over the now established speed limit. But speed on these roads should be adjusted to the drivers and to conditions, such as fog and snow. On the average road and especially the two-lane road and the old-fashioned square corners, the speed is not systematically adjusted. City streets should be reclassified and reposted so that the permitted speed is fair to the drivers and the citizenry in the community.

Speeding is not the main cause of accidents; they are caused by the mental lapses that so many people have. They are either talking, watching scenery or just naturally blanked out. I feel, too, that there are more accidents caused by selfish drivers, smart-aleck drivers and just careless drivers. Safe driving is a full time job and should be handled as such.

Furthermore, if an area is posted, the law in that area should be enforced, but the posting should be realistic.—FRANK J. RUTTER, *veteran Chicago driver of 875,000 miles.*

Excessive speed double threat . . .

I can't buy statements to the effect that fast driving is not an important accident factor. It is true, I believe, that in practically all fatal, injury and serious property damage accidents, excessive speed is one of the causative factors.

Severity of accidents increases rapidly at higher speeds; therefore, excessive speed is in reality a double threat to safety. First, excessive speed increases the involvement rate, and second, excessive speed increases severity. In other words the person who drives at an excessive speed has a greater chance of being involved in an accident and a much greater chance of being involved in a serious injury or fatal accident.—JOSEPH A. CHILDS, *Commissioner, Michigan State Police.*

Too swift . . . as tardy as too slow . . .

These violent delights have violent ends,
And in their triumph die! like fire and powder,
Which, as they kiss, consume. The sweetest honey
Is loathsome in his own deliciousness,
And in the taste confounds the appetite.
Therefore love moderately: long love doth so;
Too swift arrives as tardy as too slow.

WILLIAM SHAKESPEARE *(1564-1616), Romeo and Juliet*

FROM OUR ANNALS

U. S. DEPARTMENT OF STATE *1775 - 1960*

FIVE FAMOUS AMERICANS will be casting a long, diffuse March shadow over 185 years of history as the new home of the Department of State (back cover) nears completion in Washington, D. C.

And in the overtones of the scene will be the memory of a sixth great American, Thomas Jefferson, first Secretary of State, who entered the cabinet on March 21, 1790.

When the far-flung lines of the present Department of State are traced back to their source, there are the famous five—Benjamin Franklin, Thomas Johnson, Benjamin Harrison, John Jay and John Dickinson. They were appointed the "Committee of Secret Correspondence," with Franklin elected chairman, following a resolution by the Continental Congress on November 29, 1775, to appoint a committee of five to correspond with "our friends" in England, Ireland and France.

In less than two years the name of the group was changed to "Committee for Foreign Affairs," on April 17, 1777, and on January 10, 1781, the Department of Foreign Affairs was created by the Continental Congress.

In contrast to the multiplicity of international relations today, all the affairs of Robert Livingston, first Secretary of Foreign Affairs, were handled in the tiny brick structure portrayed on the *Journal* front cover. He served from October, 1781, to June, 1783.

By the time Thomas Jefferson was appointed the first Secretary of State in 1789 there was a small office force of five clerks, an interpreter and two messengers; a foreign service consisting of only three missions abroad—Paris, London and The Hague—and 16 consulates.

How vastly the world scene has engaged the U. S. in the 170 years since then is measured off by the 11 acres now encompassed by the new Department of State Building and the surrounding grounds. Employed in the department are 22,630 persons, of whom 8,120 are members of the foreign service, 9,565 aliens hired overseas to work in the embassies, consulates and consular agencies of the U. S., and 4,945 departmental workers who staff the offices of the department in Washington and elsewhere.

About 3,500 are members of the Foreign Service Officers Corps, the career professional corps which performs the diplomatic and consular functions in the 78 embassies, three legations, four missions, 68 consulates general and 106 consulates.

For the first time in more than 20 years, the Washington personnel of the Department of State will, with few exceptions, be united in the new building. It also will provide office space for most of the Washington staff of the International Co-operation Administration.

Heretofore, the Washington offices of the department have been housed in "New State," the main building at 21st Street and Virginia Avenue, and in 20 annexes.

Designing was by the firm of Harley-Probst Associations of Chicago and Detroit, with John McShain, Inc., Philadelphia, the builder. In style it is described as "monumental contemporary," embodying, as was required, the existing "New State." Contractor's insurer on the project is U. S. Fidelity and Guaranty Company, Baltimore, Maryland.

No finer spirit could be bequeathed the structure than that of Benjamin Franklin, whose concept of mutual protection marked the early beginnings of insurance in America and who was the first chosen leader of his country when the "Committee of Secret Correspondence" launched the nation into foreign affairs. Franklin hoped, "God grant that not only the love of liberty but a thorough knowledge of the rights of man may pervade all the nations of the earth, so that a philosopher may set his foot anywhere on its surface and say: This is my country." ⊙

Insurance adjusters, among first on the scene, help soften losses with fast, fair settlements.

'STORM TROOPERS' ALLAYING D

"MISFORTUNES COME IN with a gallop, and go out with a crawl."

Residents of northwestern Wisconsin undoubtedly had other things on their minds than Ukrainian proverbs the morning of June 5, 1958, but this one seemed to describe their doom. Three separate tornadoes had twisted through a 90-mile area around Colfax and Chippewa Falls the night before. Some 30 persons were believed dead, 250 injured, half a dozen still missing. Half of Colfax was in ruins. Houses were smashed like matchboxes, hundreds of farm animals killed, 18 farms destroyed in one county alone. Conservative estimates put the damage at $10 million.

All of that happened in a few minutes, and from the looks of the rubble, it would take months to rebuild. Like many another catastrophe victim before them—standing in the ruins of hurricanes, fires, explosions, floods—the people of Wisconsin, on this day after disaster, saw only heartaches stretching endlessly ahead.

But, contrary to the Ukrainian proverb, relief for some was quick to come, thanks to a fast-moving insurance company. Already that day an official of the Hardware Mutuals, of Stevens Point, was circling the area in a chartered plane, surveying the damage. His report received, the home office immediately dispatched its mobile service unit to the stricken area. Desks, files, lanterns, office supplies, food and water were in the giant truck, which became the "office" for a dozen HM adjusters also sent to the scene.

They went in with the Red Cross and the

As Colfax residents surveyed the rubble the day after tornado struck, mutual insurance adjusters Bill Burkart (left) and Bob Anderson (back to camera) were already on the scene aiding policyholders. "Sure am glad to see you fellows," Frank Langel greeted them. "Until now I didn't know where to start."

Hardware Mutuals

G DISASTER

In the wake of a disastrous fire at Malibu, California, came three mutual insurance adjusters for firsthand inspection of damage. Quick payment of claims is vital to home and business owners trying to rebuild following a fire or other catastrophe.

Hardware Mutuals

"Storm Troopers"

National Guard, these "storm troopers" of the insurance industry. And just as the Gray Ladies and Guardsmen symbolized personal aid, law and order, to their companies' insureds the adjusters represented financial rehabilitation, a comforting, steadying force, and sometimes simply friends in need.

Working almost around the clock, by lanternlight at night, the adjusters tracked down policyholders, appraised their losses, and restored hope with the promise that claim checks would be in the mail within a few days. Sometimes their search ended at the hospital, sometimes at the ruins of a building where the adjuster would stop to help a survivor move debris, or hunt for a missing pet, or pick through the rubble for a prized possession.

"Never knew insurance companies went out and looked for claims," smiled one dazed policyholder. HM did, and within 36 hours its adjusters had found, and helped, every one of theirs.

Such service in time of disaster entails a massive amount of planning, a good deal of expense and, often, real hardship conditions for the personnel involved. But it is for this service that people pay their insurance premiums every year. They hope they'll never suffer a loss, but when they do they want and deserve prompt, equitable compensation for that loss. This need is magnified many times over in a catastrophe, and so modern-day insurance companies have developed their disaster action plans.

Actually such plans date back more than half a century. Mutual insurance companies in New England banded together to expedite claim handling following the great Chelsea, Massachusetts, fire in 1908. Today, 55 mutuals in six states still work together in disasters, through the New England Agency Mutual Catastrophe Plan. It was formally organized after the Worcester, Massachusetts, tornado of June, 1953, and really tested full-scale in the savage Atlantic coast hurricanes of 1954.

Nationally, the Mutual Loss Research Bureau serves as a co-ordinating agency in disasters. Its catastrophe plan was spawned by the great Atlantic hurricane of September, 1944.

The more recent Hurricane Audrey, which hit the Gulf states in June, 1957, gave good illustration of how a company's disaster action plan brings prompt peace of mind to policyholders. It involved an 18-member Kemper Insurance team.

First Man In While Storm's Still Raging

The first man started the 240-mile trip from New Orleans to Lake Charles, Louisiana, as soon as he heard Audrey's 105-mph winds had headed that way. He arrived while the storm was still raging. He leased an office near the center of town, rented typewriters, appealed to military officials for emergency phone installation, and hammered scrap lumber and boxes into crude desks and supply shelves. By the time 15 more adjusters and two office girls flew in from other cities, the "headquarters" was ready—and the first man had already paid the first 12 claims.

The crew brought along 12 cartons of supplies —claim forms, pens, flashlights, aluminum ladders, measuring sticks, and bank drafts for on-the-spot payment of claims. They fanned

out through the devastated area, interviewing policyholders and agents and settling claims. They worked 12 hours a day, seven days a week, the Fourth of July included. In just 12 days they were completing payments to the last of the 800 Kemper policyholders in the area.

Ten times that many losses were sustained by a single company in another disaster—last fall's destructive Hurricane Gracie. Even before it struck, J. T. Hiers, claims manager of American Mutual Fire Insurance Company of Charleston, South Carolina, began lining up independent adjusters to come in and augment his staff. Before the telephone lines went down he had 14 qualified men committed to assist him. With the aid of Robert L. Lusk of the MLRB, he had 26 within three days after the storm. The "task force" came from as far away as North Dakota, and averaged 15 to 20 years of adjusting experience.

Hiers had expected 3,000 to 4,000 claims from the storm. There were 8,205. Nevertheless, through the herculean efforts of the company's own personnel and the extra adjusters, 89 per cent of the claims had been closed within 90 days, with a total payment of more than $1½ million. The rest were contested or required further work, but by January 95 per cent had been settled.

Quick Action Needed in Fires, Explosions

Weather disasters are not the only ones necessitating disaster claims service. Fires such as those that sweep southern California periodically are another kind. So are explosions, such as the one that damaged nearly every building in Roseburg, Oregon, last August. There, the catastrophe crew of Northwestern Mutual Insurance Company was on the job so soon they were required to get passes to go through National Guard lines and had to wear helmets to enter damaged buildings.

It is not always property loss that puts insurance's disaster services to the test. One of the worst explosions and fires in U. S. history was the one at Texas City, Texas, in April, 1947, and while property damage totaled more than $65 million, the thousands of dead and injured were a far more tragic—and costly—consequence. The catastrophe proved to be the largest workmen's compensation insurance loss in history. But its handling by personnel of Liberty Mutual Insurance Company, the nation's largest workmen's compensation carrier, still stands as one of the finest examples of dedicated service in insurance annals.

When two ships loaded with explosives blew up in the harbor and set the entire waterfront aflame, nearly 500 persons died, 3,000 were injured and 100 were missing. Within 48 hours, four dozen Liberty claims investigators, clerical staff and legal aids had been flown in from Boston, New York, Chicago and other cities. Working 18 hours a day, driving 12 miles to the nearest town for lunch—when they had lunch—and 50 miles to their Houston hotels every night, they went into action.

Medical Care, Rehabilitation Part of Job

They visited every hospital within 50 miles to learn the names of the victims admitted and whether they were insured by Liberty. The first concern was to see that all were receiving adequate care, including plastic surgery where necessary. Then there were the claims to process. Some were difficult because no one could say how long the injured might be disabled; in some cases of mental derangement following the tragedy the victims have never recovered. For many injured, Liberty arranged rehabilitative treatment, and most eventually could return to work. Nearly 150 death claims also were filed with Liberty; all had to be investigated, and all but about 20 were paid, even in some cases where the victim's body never was found. Liberty's total payments were more than $1.3 million—the bulk of them taken care of within a month after the disaster.

In this case as in most disasters, there no doubt was some dissatisfaction, for insurance does not always replace everything an insured has lost. He may be underinsured, or his policy doesn't cover certain damage, or he disagrees with the adjuster's appraisal. Some, even in a disaster, try to cheat—to "soak" the insurance company for more than a claim is legitimately worth. Then it's up to the adjuster to detect and prevent it, for padded claims and overgenerous settlements are unfair to other policyholders whose premiums pay for losses.

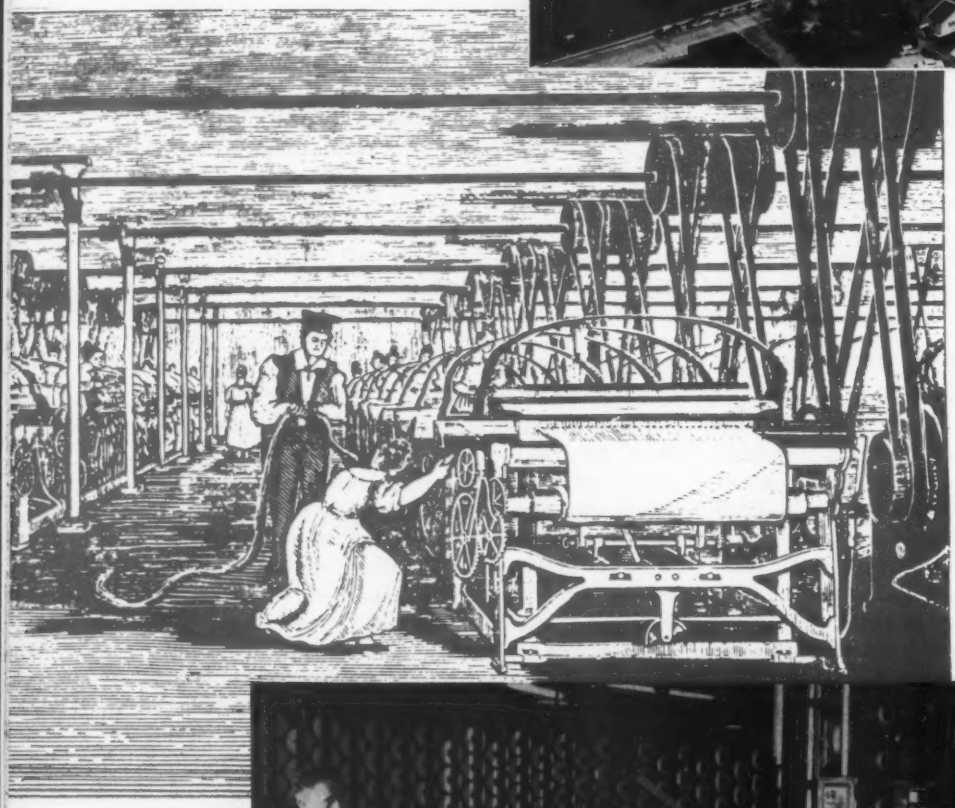
But for the most part, the fast, fair service they get from their insurance company's claim adjusters in time of disaster prompts remarks like this one from a victim of the Wisconsin tornado: "We may not have electricity and water but we do have insurance and friends. I don't think anyone can afford to be without insurance." ⊙

North Carolina State Department of Conservation and Development

A textile relic, cotton press in Tarboro, North Carolina, is a reminder of plantation days. Today the state leads the U. S. in producing textiles.

Burlington Industries, Inc.

This immense plant at which house fabrics are produced is one of U. S. textiles' 8,000 mills. Many small, one-purpose units also contribute to an overall range of products unexceeded by any industry.



←

A textile mill of the first half of the 19th century, the period when mutual insurance protection spurred textiles' rise to major-industry status.

Employee safety is fostered by mutual insurance loss prevention engineering and special machine design. This warper won't operate while in unsafe position, has guards against drive unit, strain of lifting.

Fieldcrest Mills, Inc.

TEXTILES' NEW ERA

U. S. Air Force

Textiles take to space in form of special materials in this full pressure pilot suit designed to permit ease of movement at extreme heights. Much fabric research is space-oriented.

Historic industry, rooted in mutual insurance, tools up for expansion in the 60's.

ONE MAJOR QUESTION threads itself throughout the textile industry today: As an onlooker puts it, "Is the business finally out of the doldrums?" Having virtually fathered the industry, mutual insurance has a deep-rooted interest in textiles' welfare.

With some reservations, most observers say the doldrums are ended. Since the early 1950's textiles had slumped. But 1959 was different. Weavers, fiber makers and industry critics agree last year was a fine one, with profits soaring to an estimated $475 million, more than double those of the year before.

What does this booming climax to the 50's portend for the 60's ahead? Here are a few opinions on textiles' forthcoming new era:

A leading trade magazine, viewing climbing textile backlogs and expenditures for equipment, predicts 1960 will be the industry's most active year in a decade.

An officer of a major synthetics manufacturer forecasts total textile sales in 1960 will climb to more than $15 billion, and holds that "conditions today within the industry are more favorable than at any time in recent history."

Orders already on the books affirm that 1959 sales levels will continue through the first half of 1960, at least. Industry analysts generally expect the second half of the year to be somewhat less favorable, but many believe overall results will be as good as in 1959.

Looking beyond 1960, the president of a leading trade group states: "The textile industry is in the strongest position in its history, and over the next five years we are certain to see the industry begin to expand."

The inferences obviously indicate better times for this historic industry that today comprises more than 8,000 plants in 43 states, and provides a living, directly or indirectly, for some 15 million people. And new growth for the industry once again will be supported by mutual insurance, long behind the scenes in textiles. The tremendous early expansion in New England between 1840 and 1860, in fact, might never have occurred but for the mutual companies developed specifically to safeguard textile mills.

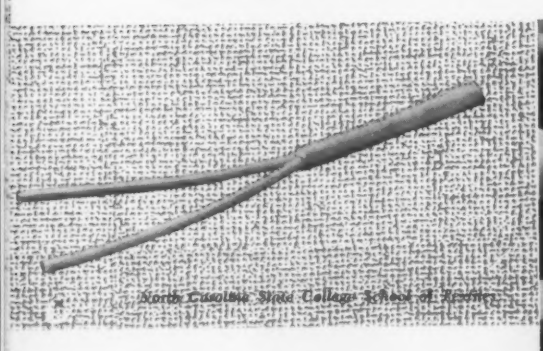
The textile-mutual partnership dates to 1822, when a foresighted manufacturer named Zachariah Allen conceived and built what was

Gammacell housing 2,300 curies of Cobalt-60 is used to determine the effect of nuclear radiation on textile materials in lab at North Carolina State College School of Textiles.

Three Photos North Carolina State Department of Conservation and Development

With U. S. Commerce Department predicting good year for synthetics in 1960, textile research on man-made fibers will be stepped up. Lab studies precede practical tests of samples.

Modern medicine uses textile "spare parts" for humans, such as this 100% Dacron knitted artery developed at North Carolina State. School's textile research gets $500,000 a year.



North Carolina State College School of Textiles

Textiles New Era

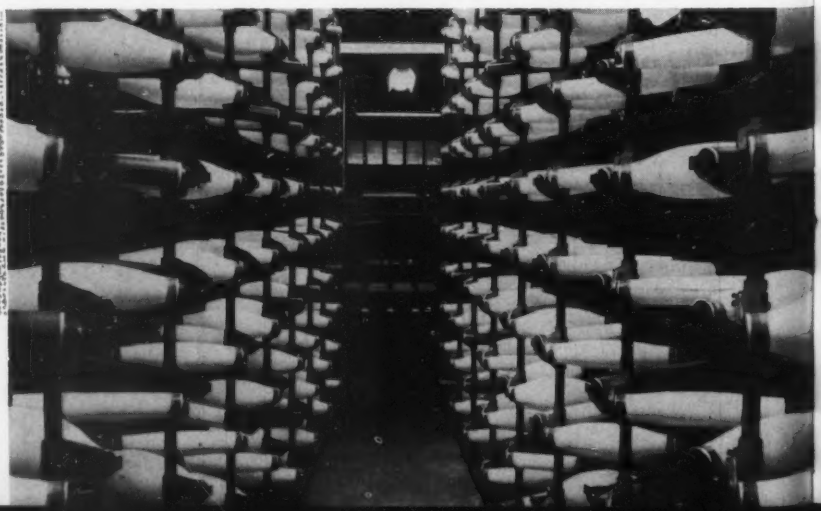
unquestionably the most fire-safe mill of its day. He had wooden shingles laid in mortar, devised a heating system that required no stoves to be placed among his machinery, fire-walled off areas in which fires were likely to start, and provided unusual amounts of pumps, pipes, hose and hydrants.

For 13 years Allen tried to convince the stock insurance companies of the day that his mill was entitled to lower rates than less well protected risks. Unsuccessful, he solved his problem by establishing the first mutual fire insurance company devoted exclusively to insuring factories, in 1835. Lower rates and better protection resulted, and thus began a new era in insurance with the mutual system leading off.

As textiles matured and moved southward, mutual insurance followed and the relationship begun by Zachariah Allen continues today. Consider the busy mills of the Carolinas: There, for example, it has been said that casualty protection in the textile industry virtually begins and ends with mutual insurance.

Since it geared up for its tremendous supply role in World War II, one long-time textiles student says, the industry has been shaking off excess capacity and getting set for growth in the 1960's. Mutual insurance, which has remained protectively at work during textiles' decade of consolidation, has its "circuits cleared" to guard the textile business throughout good days and bad in the new era ahead. ⊙

Today's textile industry utilizes electronic equipment such as this tension control unit (center), which evens tension on winding thread, prevents irregularities in finished weaving.



Medical care is the best in history, yet disgruntled patients are suing doctors and hospitals at a record rate. Medical authorities and insurance companies decided to find out why, came up with a surprising answer: Most liability suits result from bad human relations, not bad medical treatment.

Rx FOR DOCTORS

Insurance helps devise measures against rising volume of liability suits.

DOCTORS across the nation are up in arms over incidents such as this one:

A man was brought into a hospital almost dead from loss of blood as a result of a stomach ulcer. Transfusions failed to revive him, and three of the four doctors who examined him said he was beyond help. But the fourth decided to operate on the remote chance that he could stanch the bleeding in time.

The operation succeeded, and the man lived. But in the surgeon's great haste, he left a gauze sponge inside the patient's abdomen. Although the man expressed gratitude to the surgeon for saving his life, he was persuaded by friends to sue him for "malpractice." The money will be paid by an insurance company anyway, they said, and it won't hurt anything to try. A jury awarded the patient more than $90,000.

Similar cases, covering a variety of real and imagined grievances, have increased sharply since World War II, and are being filed at the estimated rate of 6,000 or more a year. Thousands more are being settled out of court. The American Medical Association reports, on the basis of some surveys, an estimated one out of seven doctors has been sued nation-wide. In California, it's one out of four. New York and the District of Columbia are not far behind.

Rx for Doctors

Doctors, hospitals and their insurance companies are paying out an estimated $45 million a year in court awards, out-of-court settlements and expenses as a result of liability claims.

Some of the payments are justified, for sooner or later even the most cautious doctor is likely to cause injury to a patient under circumstances that make him legally, morally and financially responsible. However, medical authorities contend that there is an alarming tendency today for courts to rule for the patient, not because the doctor was negligent, but because the judge or jury feels sorry for the apparently injured person.

As a result, the need for insurance against this increasingly serious occupational hazard has become acute. An estimated 93 per cent of all U. S. doctors carry some form of professional liability coverage to protect against the consequences of both warranted and unwarranted claims.

When all available evidence incident to a claim seems to indicate the doctor is liable, the insurance company may recommend an out-of-court settlement. On the other hand, if the claim is seemingly unwarranted, the insurance company will undoubtedly prefer to defend the doctor in court. Under most policies, however, the course of action is determined by the doctor, since the insurer normally cannot compromise or settle a claim without the doctor's consent.

Authorities Prescribe $100,000 Limits

About 40 insurance companies writing the bulk of professional liability coverages do so in amounts ranging from $5,000 to $100,000 or more for a single case. The trend definitely is upward. One authority, writing in the AMA *Journal,* said, "All doctors are well advised to carry the higher limits applicable to their own area or state regardless of specialty or type of practice."

Annual costs of this kind of coverage vary widely, depending on the doctor's specialty and the loss experience in his area. In Pennsylvania, where doctors have had relatively little trouble with nuisance suits and runaway court awards, a general practitioner pays about $50 a year for $100,000 coverage, and a surgeon about $90.

In New York City, the corresponding figures may go as high as $200 for GP's and $350 for surgeons and specialists.

These added insurance costs, like all other expenses, eventually result in higher medical bills for patients. By far the most serious effect of liability suits, however, is their influence on the practice of medicine itself. Doctors say the fear of being sued is forcing them to forego the use of some advanced techniques that might not look as good in court as a less effective, but more commonly accepted, treatment.

Many anesthesiologists have virtually stopped using spinal anesthesia, for instance, because courts in several states have held that it is an absolutely safe procedure—therefore, when something goes wrong, the doctor must have been negligent. Such rulings, medical authorities contend, fail to take into account the risk inherent an almost any operation or treatment, and encourage patients to sue the doctor any time he fails to achieve a perfect result.

In one recent case, a housewife sued for $10,000 when she developed a rash following penicillin treatment—an allergic reaction which occurs in about six out of 100 cases. The doctor settled for $400 to avoid going to court, although he was guilty of no negligence.

One of the most promising preventive efforts against this problem is being conducted in California, which has the dubious honor of ranking first in the nation in both the number of suits and high jury awards.

Surveys by state and county medical groups indicated that most suits stemmed from human relations problems between doctor and patient. In some instances, doctors had failed to be frank with patients regarding their condition, or had been hasty in sending bills. In others, doctors had encouraged suits by commenting carelessly about the work done by other doctors.

Largely as a result of the educational campaign based on these findings, these is hope the rising tide of claims can be checked. The San Francisco Medical Society reports liability claims against its 2,100 members declined from 10.9 per 100 doctors in 1957-8 to 7 per 100 last year.

Insurance Rates Drop As Losses Decline

Insurance rates, reflecting the improvement, were reduced an average of 5.4 per cent for California physicians and surgeons this year—a happy indication of better times for both doctors and insurance companies. (One com-

Slips and falls account for a large portion of the liability suits filed against hospitals, a problem compounded by shortages of nurses and an increasing tendency by courts to hold the hospital responsible for mishaps. Accident prevention efforts include steel bars on tubs and walls to prevent falls.

American Hospital Supply Corporation Photos

In California, insurance loss prevention efforts enabled one group of hospitals to reduce falls out of bed 65 per cent, chiefly by installing railings on all beds. Hospital insurance rates have been cut more than 50 per cent as a result. Other measures include extra sponge counts, safer hot water bottles.

pany opened its books to show it had lost approximately $1.5 million over the preceding nine years on its professional liability coverage for 4,000 northern California doctors.)

The California Hospital Association, which represents 400 of the state's 421 hospitals, also reports encouraging success in handling the liability problem with the aid of insurance. In 1954 the association decided to set up a "group" insurance plan that would pool the risks and also pool knowledge about the causes of malpractice claims in hospitals.

The insurance company hired a full-time expert in hospital administration to review all accidents and claims, and to identify the hospital practices causing the trouble. On the basis of his recommendations, the association now requires member hospitals to put bed rails on all beds and to conduct an extra sponge count after surgery to make sure nothing is accidentally left inside a patient.

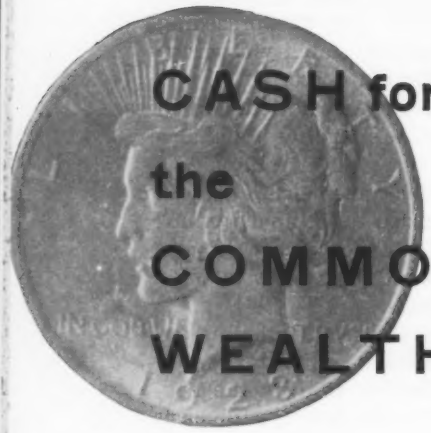
In six years, falls out of beds have been reduced 65 per cent—and hospital insurance rates have fallen from $100 or more per bed to $42.50 for coverages of up to $500,000. The California plan has now spread to Utah, Montana, Arizona, Nevada and Iowa, and is being considered elsewhere.

Expert Testimony Reduces Nuisance Suits

In several states, efforts are being made in the courts to curb the filing of nuisance suits. Some have tried calling in impartial medical experts to testify in personal injury cases, including alleged medical malpractice. Success has been mixed, although New York reports questionable claims have dwindled slightly since its plan went into operation seven years ago.

Local bar and medical associations have gone one step further in Tucson, Arizona, by setting up a 20-member panel of doctors and lawyers to screen all malpractice claims. If the panel says the claim is unjustified, it usually is dropped. But if the group rules for the patient, the medical society guarantees to co-operate in obtaining medical testimony for both sides. Frequently a settlement is made out of court.

In all these efforts, the aim of doctors and insurance companies is to see that genuine victims of medical mishaps are fully compensated, without having to resort to a suit. But they are equally determined to resist attempts both in and out of court to hold doctors responsible for all the ills that plague mankind. ⊙



CASH for the COMMON-WEALTHS

States have multi-million income from insurance; insurance administration uses only a fraction.

A REVENUE-MINDED historian once said: "All public progress begins with taxes."

By that token, U. S. insurance companies have a major role in developing the jet-age schools, highways, hospitals and other advanced facilities that grace the face of mid-century America.

For such progress and for general public spending, insurance is now adding more than a half billion dollars a year to the incomes of the 50 states and the District of Columbia. This is above and beyond the costs of administering state regulation of the industry.

Higher still, insurance's federal taxes in recent years have more

STATES' REVENUE FRO

With Apportionment To Insuran

	Number of companies licensed	Total state premium volume, all companies	Premium and franchise taxes	Fees colle
Alabama	1004	$ 365,665,898	$ 6,231,343.01	$ 525
Alaska	254	23,692,228	708,995.40	62
Arizona	724	176,084,774	2,804,404.96	218
Arkansas	757	178,355,343	3,492,182.37	174
California	727	2,767,213,726	55,228,653.06	2,487
Colorado	741	264,039,429	4,482,245.85	167
Connecticut	583	501,378,098	11,518,059.54	450
Delaware	573	35,402,605	1,519,487.29	64
District of Columbia	648	128,367,706	2,567,354.12	139
Florida	769	727,646,051	10,384,240.92	1,069
Georgia	700**	400,000,000**	9,575,030.25	571
Hawaii	273	72,262,395	1,683,269.00	44
Idaho	553	87,741,228	2,215,686.00	140
Illinois	1171	2,010,604,249	29,974,639.59	1,999
Indiana	954	725,000,000**	8,883,380.00	266
Iowa	850	418,339,075	7,004,462.00	196
Kansas	694	337,814,909	5,592,589.88	201
Kentucky	700	327,790,531	5,890,099.77	323
Louisiana	888	429,746,566	7,128,831.57	138
Maine	478	111,795,340	2,157,839.76	125
Maryland	715	441,949,326	8,125,044.59	351
Massachusetts	488	957,260,311	17,552,292.65	719
Michigan	849	1,266,254,393	19,749,791.85	474
Minnesota	876	510,384,286	8,419,161.62	310
Mississippi	819	225,383,412	5,549,367.81	427
Missouri	815	621,854,164	12,187,529.62	477
Montana	460	92,962,195	2,055,708.63	93
Nebraska	690	211,917,650	3,121,237.35	197
Nevada	533	40,241,137	677,869.34	117
New Hampshire	477	95,154,336	1,767,255.00	99
New Jersey	687	1,203,343,706	15,884,546.65	1,112
New Mexico	599	110,905,366	2,181,534.89	177
New York	764	4,332,500,839	54,427,588.25	4,734
North Carolina	605	510,871,818	11,182,466.95	655
North Dakota	535	85,443,884	1,428,103.84	83
Ohio	929	1,647,769,195	28,681,938.00	622
Oklahoma	761	315,971,893	9,129,106.90	.....
Oregon	612	290,637,601	4,821,061.75	213
Pennsylvania	1037	1,961,193,424	27,656,297.94	1,582
Rhode Island	430	147,227,364	2,418,446.00	60
South Carolina	700**	293,317,108	4,671,519.19	572
South Dakota	564	84,112,165	1,777,939.34	74
Tennessee	700	355,387,352	8,793,808.08	163
Texas	1838	1,306,207,916	28,512,766.43	1,482
Utah	628	104,244,449	2,144,052.34	108
Vermont	424	55,740,219	1,078,993.00	42
Virginia	769	437,047,505	10,816,636.00	187
Washington	652	441,586,929	7,134,797.23	127
West Virginia	645	200,315,577	4,906,027.51	220
Wisconsin	793	623,565,703	8,398,738.00	382
Wyoming	521	42,389,093	996,613.28	.....
TERRITORIES				
Canal Zone	32	1,426,292	21,374.42	N
Puerto Rico	123	34,200,000	853,980.40	74

***Estimated*

NUE FROM INSURANCE

ent To Insurance Administration

	Fees collected	Total taxes and fees from insurance	Expenditures for operation of state insurance department	Percentage of insurance funds spent for insurance department operations
.01	$ 525,290.25	$ 6,756,633.26	$ 256,023.55	3.79%
.40	62,087.62	771,083.02	30,001.63	3.89
.96	218,407.94	3,022,812.90	134,596.08	4.45
.37	174,592.07	3,666,774.44	74,964.75	2.04
.06	2,487,048.00	57,715,701.06	1,694,081.00	2.94
.85	167,663.20	4,649,909.05	185,959.74	4.00
.54	450,195.49	11,968,255.03	345,563.07	2.89
.29	64,275.42	1,583,762.71	35,518.37	2.24
.12	139,144.12	2,706,498.24	165,669.00	6.12
.92	1,069,835.00	11,454,075.92	356,144.09	3.11
.25	571,413.00	10,146,443.25	247,616.17	2.44
.00	44,921.00	1,728,190.00	66,457.00	3.85
.00	140,997.00	2,356,683.00	41,711.00	1.77
.59	1,999,470.85	31,964,110.44	937,358.28	2.93
.00	266,133.36	9,149,513.36	199,315.36	2.18
.00	196,683.00	7,201,145.00	180,000.00	2.50
.88	201,025.11	5,793,614.99	237,471.76	4.10
.77	323,995.78	6,214,095.55	289,595.72	4.66
.57	138,966.00	7,267,797.57	222,225.19	3.06
.76	125,552.73	2,283,392.49	96,378.58	4.22
.59	351,667.16	8,476,711.75	273,259.00	3.22
.65	719,979.44	18,272,272.09	1,315,248.06	7.20
.85	474,500.21	20,224,292.06	354,636.54	1.75
.62	310,923.62	8,730,085.24	219,377.95	2.51
.81	427,121.57	5,976,489.38	55,828.12	.93
.62	477,398.20	12,664,927.82	215,822.48	1.70
.63	93,337.03	2,149,045.66	38,940.00	1.81
.35	197,275.36	3,318,512.71	167,938.27	5.06
.34	117,193.00	795,062.34	52,735.83	6.63
.00	99,601.00	1,866,856.00	69,016.00	3.70
.65	1,112,062.00	16,996,608.65	704,700.00	4.15
.89	177,607.79	2,359,142.68	191,962.05	8.14
.25	4,734,057.72	59,161,645.97	4,601,618.19	7.78
.95	655,136.10	11,837,603.05	333,662.36	2.82
.84	83,947.00	1,512,050.84	72,600.00	4.80
.00	622,489.00	29,304,427.00	459,794.00	1.57
.90	.....	9,129,106.90	99,750.00	1.09
.75	213,581.18	5,034,642.93	186,311.47	3.70
.94	1,562,675.26	29,238,973.20	1,004,140.49	3.43
.00	60,370.00	2,478,816.00	97,017.00	3.91
.19	572,730.79	5,244,249.98	198,472.08	3.78
.34	74,971.95	1,852,911.09	44,033.18	2.38
.08	163,876.53	8,957,684.61	368,560.97	4.11
.43	1,482,426.54	29,995,192.97	2,153,777.90	7.18
.34	108,146.45	2,252,198.79	45,358.82	2.01
.00	42,919.00	1,121,912.00	30,615.00	2.73
.00	187,183.00	11,003,819.00	393,962.35	3.58
.23	127,104.19	7,261,901.42	354,836.46	4.89
.51	220,510.32	5,126,537.83	121,246.43	2.37
.00	382,259.00	8,780,997.00	309,310.00	3.52
.28	.....	996,613.28	38,693.98	3.88
		$520,522,081.52	$20,369,875.32	3.91% (Average)
.42	None	None	None	None
.40	74,304.31	928,284.71	184,595.00	19.89

Source: Insurance Industry Committee of Ohio—1958 Nationwide Data

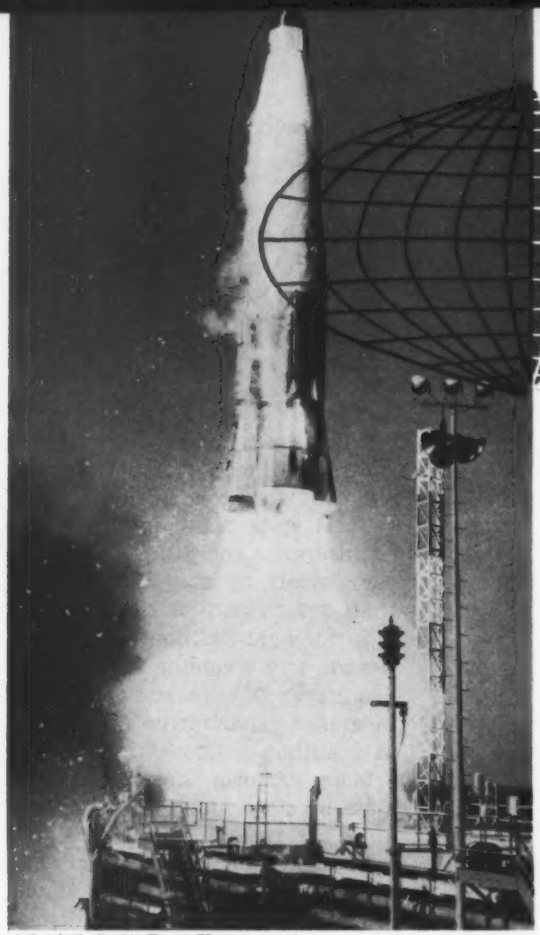
than equalled those paid the states, and under the new life insurance tax law enacted last year are expected to increase an estimated $300 million a year.

Total state taxes and fees paid by insurance companies each year vary widely by states, from more than $59 million in New York to less than $1 million in Alaska, Nevada and Wyoming. Annual expenditures for operations of state insurance departments range from $4½ million to $30,000.

More uniform, however, is the state by state proportion of insurance tax receipts used for insurance regulation. This averages less than four per cent for all states. Most of the half billion dollars collected in excess of insurance department expenses is allocated to general revenue of the states and used for a multiplicity of purposes.

Overall, state tax revenue from the growing insurance industry has been climbing some $25 million to $30 million a year for the past five years. Excepting the newcomers, Alaska and Hawaii, all states now have well in excess of 400 companies active. Many companies operate in more than one state and four states report more than 1,000 companies licensed to do business, with Texas topping the list with 1,838.

Record state expenditures, currently in excess of $25 billion a year, will underwrite continued progress in the 60's. So will cash for the commonwealths from insurance, as the industry continues to supply an important part of the revenues that Cicero called "the sinews of the state." ⊙



Official U. S. Air Force Photos

INSURANCE for the FREE WORLD

For 14 years this month, the Strategic Air Command has provided history's broadest protection.

ON THE PEACEFUL plains of Nebraska, where it might be least expected, is the nerve center of the world's most power-packed concept of mutual protection.

There at Offutt Air Force Base, near Omaha, is the headquarters of the U. S. Strategic Air Command, with $13 billion in "hardware" and key bases across the free world.

The global potency of SAC has been appraised in these terms by no less an authority than Sir Winston Churchill: "The primary deterrents to aggression remain the nuclear weapons and the ability of the highly organized and trained U. S. Strategic Air Command."

With a command post 45 feet under ground first assigned to the military in 1888, SAC is a modern saga in expansion paralleling fast-moving developments on the world scene. In 1946, the Command had 37,000 men, 18 bases and 600 World War II aircraft. Today, under the command of General Thomas S. Power, SAC includes 3,000 entirely different planes, more than 70 bases world-wide, and 267,000 personnel. One third of the Command's jets are on a 24-hour alert these days, and once every three minutes around the clock, a SAC bomber

Recent tests over the Atlantic missile range have proved Atlas ICBM's can be guided to within two miles of a target that is 5,000 miles away. SAC's first two Atlas squadrons were activated in April, 1958; nine are included in current SAC plans.

History's "hottest" party line is anchored to famous red telephone in SAC's command post underground. By picking this phone up, a controller can be placed in instantaneous voice contact with every one of more than 70 SAC bases world-wide.

A KC-135 jet tanker refuels a B-52 Stratofortress at 600 mph and SAC's global protection of the free world continues uninterrupted. The Command makes in excess of 100,000 of these refueling hookups every year.

SAC's single most important building: The three-story underground control center. Under attack, it would be sealed off automatically and become self sustaining, with global communications, key men, 30 days' rations.

and tanker somewhere complete an aerial refueling hookup.

The Command's growth also has produced progress in accident prevention. For nine consecutive years, SAC has received a ground-safety award of honor from the National Safety Council. Over the same period, the aerial accident rate has dropped consistently though operational flying time has increased each year.

Safety accomplishments have led to another bond between SAC and mutual insurance in addition to their shared purpose of providing protection through foresight followed by preventive action. Mutual air travel insurance is now available to civilian and military passengers on SAC flights. Available through Mutual of Omaha, rates comparable to those offered passengers on commercial airlines have been made possible by the Command's outstanding safety record.

Internally, SAC has a substantial insurance operation of its own, with some $18 million a year in claims being processed through the office of Brigadier General A. W. Rigsby, SAC judge advocate. The Command acts as a self insurer for these losses, the bulk of which involve motor vehicle accidents. Sonic booms, Rigsby reports, account for only a small portion of overall claims paid.

With nine Atlas ICBM squadrons already planned, missiles loom as the future might of SAC. But though its weapons will change, the Command's mission won't. Looking to the job ahead for SAC, General Power compares the protection provided by his force to that offered by today's automobile insurance. Opinions about each may vary, he says, as to how much is required, but both are basic needs that have to be fulfilled.

Power, who doesn't believe one can safely draw fine lines when it comes to "minimum" security, is a man who carries half million dollar liability limits on his own car. ⊙

With 10 million U. S. auto accidents a year,

HERE'S A BARGAIN FOR $94.30

An $18,000 example of what motorists are getting for their insurance dollars.

THE CASE OF RALPH LAMPERT

Here, from beginning to end, is a case exposing many, but not all, of the circumstances confronting auto owners and insurance companies on the average of more than 20,000 times a day—a serious accident, teen-agers involved and at fault, painstaking investigative work, a supreme court ruling, some claimants paid, and some denied with fair good reason.

To prevent embarrassment to individuals and a breach of confidence on personal matters, the facts in the report have been synthesized from several actual claim files. Names and other identifying details have been disguised and the photographs have been especially posed to protect individuals and the circumstances from any connection with a specific accident. But the example of an $18,297 service on the part of the insuring company on policy coverages costing only $94.30 can be documented from insurance files.

THIS MAN called Ralph Lampert could be you or any one of the 82 million licensed automobile drivers in the U. S. He could because his car was involved in an accident. Some 15,200,000 passenger cars now wind up in 10 million such accidents every year, and no one knows when he is going to be the next victim.

Up to now you may have thought that automobile insurance rates are high. Maybe you've even complained they are too high. After you have followed this case of the man called Ralph Lampert you will wonder how those rates can be so low. You will then understand, too, perhaps for the first time, why insurance companies have lost hundreds of millions of dollars in the past 10 years in keeping up with their obligations on the highway accident front while operating under premium rates which have lagged behind increases in other essential commodities and services.

Accidents of the Ralph Lampert type are costing the nation $5.6 billion a year, according to the most recent figures from the National Safety Council. They are killing 37,000 people annually and leaving an additional 1,350,000 with disabling injuries beyond the day of the accident.

Here in authentic detail is the little-known insurance story of what goes on behind the scenes in the wake of these highway accidents. In short order, the claimants in this case got benefits almost 200 times the amount of Ralph Lampert's policy premium. And just a telephone call to the home office assured Lampert of the efficiency and thoroughness of modern-day insurance in the face of complicated and baffling circumstances—eight people involved in a death and injuries, a ninth person responsible as the owner of the insured car, teen-age complications and a supreme court case.

Every one of the 10 million accidents occurring annually poses its own special problems in painstaking investigation, time, costs and fair settlement for all parties. ⊙

WHAT HAPPENED? WHEN? →

Here, with the insurance representative at work on the case, is the Sunday morning wreck of the Ralph Lampert car after his high school son, Andy, had used it for a Saturday night dance. Crash occurred at 12:30 a.m. when Andy and his date, Peg Clark, were taking two companions, Charles Halliday and Jeanne McGlashin, to their homes in a neighboring town . . . . Lampert's car, northbound, was in the center of an unobstructed intersection when hit at the left rear door by an eastbound car. The Lampert car swung around but remained upright. . . . In the other car, William Drake, the driver, lost control, skidded into the ditch and overturned. Beth Drake, his wife, was killed instantly. Drake was hospitalized with serious injuries, as were Mr. and Mrs. Anthony Mallani, rear-seat passengers in Drake's car. The car itself was a total loss. . . . Andy Lampert came out of his car uninjured, but Peg, his date, was taken to the hospital with a broken leg. The other two young people, Charles and Jeanne, were unhurt.

Photos by Hardware Mutuals, Stevens Point, Wisconsin

INSURANCE TAKES OVER →

Andy's father put a long train of insurance service into action when he reported the accident to his insurer at 9:10 a.m. Sunday. By Monday a.m. (right) cars had been examined, accident scene inspected and Andy interviewed in a recorded statement. He said he had been driving. Now the examiner and chief adjuster (seated) have a report and copy of the policy. Adjuster calculates cost of the claim, sets up reserves and initiates a claim file. Examiner (standing) gets investigative assignment sheet.

→

From material supplied by the claim director, a complete claim file is prepared by the loss adjustment division. Meanwhile, work proceeds on the many other complications in the record.

Included in the report obtained from officers who investigated the accident is a clue to key facts which later proved to be decisive points.

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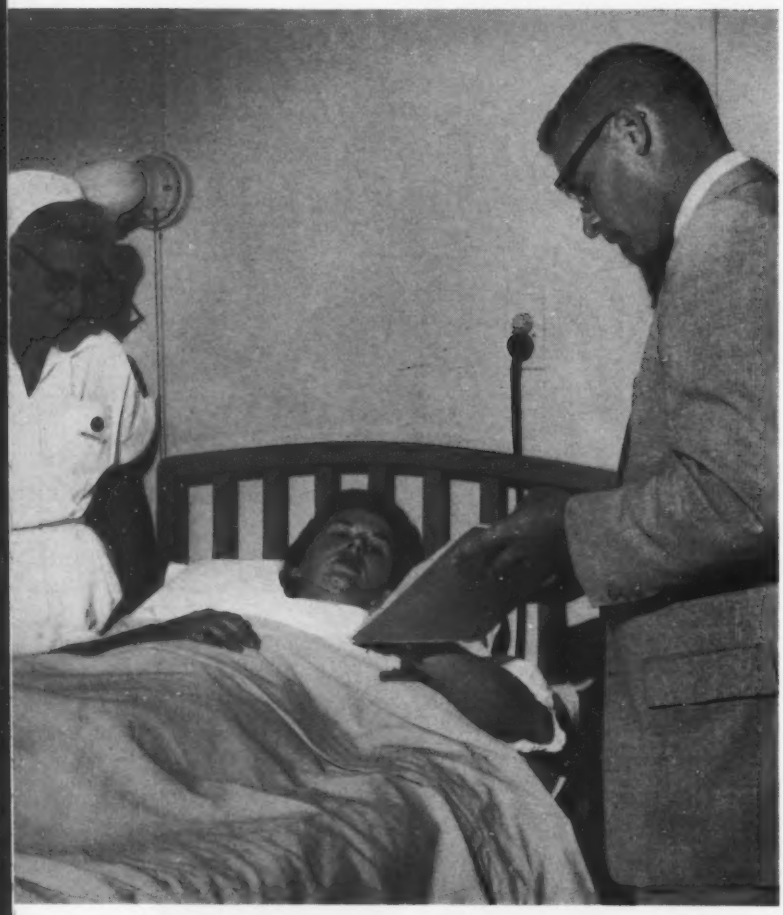
Here's a Bargain for $94.30



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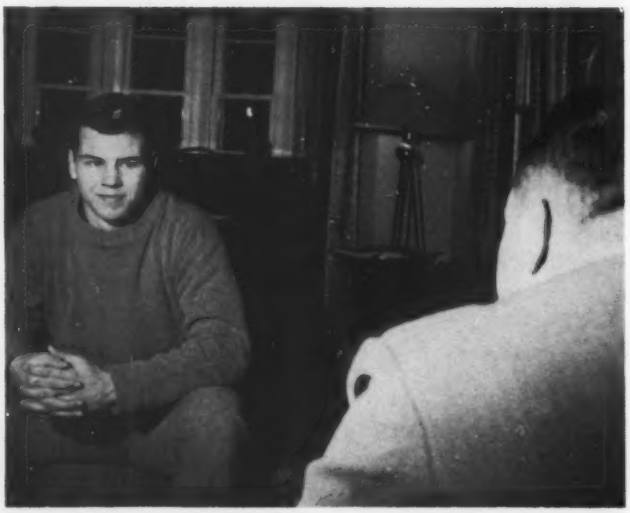
By portable recorder and other means a complete running account was made of the investigation. It was established that speed of Lampert car was 65 mph and of the Drake car about 50 mph. Signed statements were made by all survivors.

←

THEN THE "BREAK" CAME

Peg Clark, with a broken left leg, was suspected of being in the back seat on the impact side at the time of the accident. She admitted that her date, Andy, was with her and that Lampert's car was being driven by the other boy, Charles. Thereupon the case suddenly took a new and involved turn. Inasmuch as Ralph Lampert himself had not given permission to Charles Halliday to drive the car, was he entitled to coverage? Did the misrepresentation by Andy and his friend as to who was driving the car relieve the insurer of obligation to protect either one against the damage claims by injured people? In light of the facts, was there gross negligence or willful misconduct on part of either driver? Still other problems were created by complexities of the guest law in the state where the accident occurred. Every accident creates its own problems for insurers to handle promptly, fairly.



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Confronted with findings made in the investigation, Andy admitted that he was not the driver when the accident occurred but that he posed as such out of fear that he would be reprimanded by his father for allowing someone else to take over the driving. . . . Fortunately for Andy and Charles, it was decided by the insurer that the initial misstatements by the boys, promptly discovered and corrected, did not give grounds for "lack of co-operation" coverage defense. It also was decided that use of the Lampert car by Charles probably was within the scope of permission so that he must be given at least conditional protection under the insurer's policy. There seemed to be no gross negligence or misconduct on young Halliday's part. But these and other decisions bearing on the final settlement required many hours of work and consultation.

INSURERS SEEK ANSWERS →

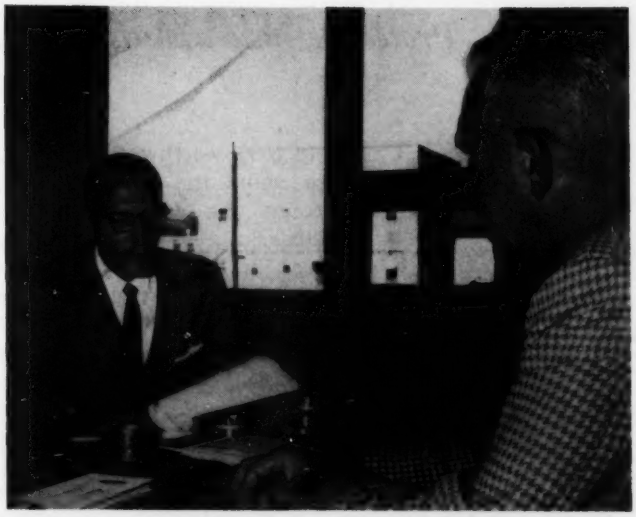
Officials of the insurer, in conferences such as this, sifted details and came to decisions, including agreement that both drivers appeared to have good defenses on any guest passenger claims. (Law prevents recovery of damages by a guest in absence of gross negligence or willful misconduct on part of the driver of vehicle in which guest is a passenger.) . . . In another session it was decided that the company should settle the Mallani claims because of excessive speed of the Lampert car. Would the other insurance company contribute to the settlement? Their claims manager refused, claiming defense under the guest law. Lampert's insurer paid.

LAMPERT'S INSURANCE COVERAGE	COST
$50 deductible collision	$35.00
$1,000 medical payments	8.10
Bodily injury $15,000/$30,000 limits	51.20
	$94.30
Actual value comprehensive	7.20
Property damage $5,000	21.00
	$122.50

PAYMENTS	
To Mrs. Mallani, bodily injury	$12,000
To Anthony Mallani, bodily injury	3,000
Peg Clark, medical payments	644
Ralph Lampert, collision damage	318
Attorney fees and cost	2,335
	$18,297

SETTLEMENTS STARTED →

Lampert had a 1956 Chevrolet, garaged in Madison, Wisconsin, covered by a family auto policy with one driver under 25 years. Property damage and comprehensive were not involved. Hence payment was for coverages bought for $94.30. All rates are net; they would be higher initially in some states but would about equalize after dividend refund. Peg Clark's liability claim was paid by Drake's insurer; guest law exempted Lampert's insurer on this. But other problems had to be met before all details were settled.

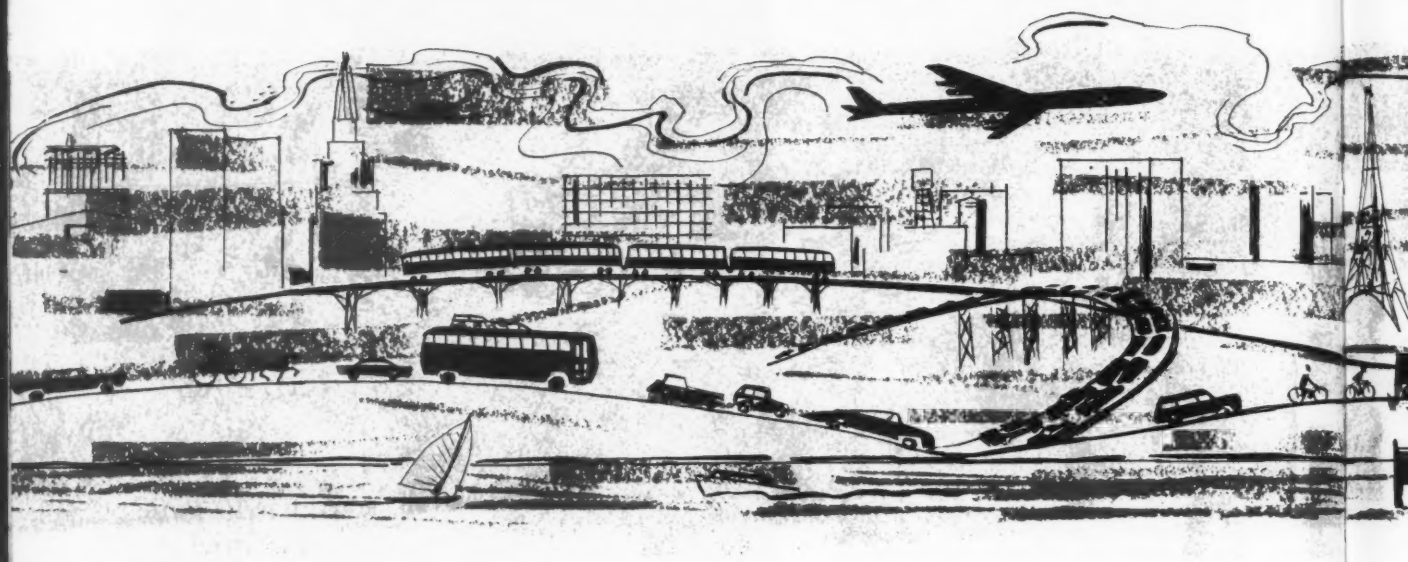


COURT COMPLICATIONS →

Drake's attorney (right) held out against the examiner for $20,000 on the "damage value" of Drake's claim: $15,000 for the death of Beth Drake; $8,000 for Drake's injuries, and $2,300 for auto damage. This was considerably more than the remainder of the policy coverage. Also, if Drake was guilty of contributory negligence, he was barred from recovering damages. But to avoid a costly lawsuit of doubtful outcome, Lampert's side offered to settle for $4,000. Drake's attorney declined, started suit against Lampert, his son and driver Charles Halliday. Insurer's attorney took over for defendants. The verdict was in favor of the Lampert side, based on Drake's contributory negligence. Then Drake's side appealed to state supreme court.

→

Lampert's side again was handled entirely by his insurer's attorney (left). The supreme court agreed with the lower court—the Lamperts and young Halliday were relieved of any liability to pay damages. All attorney costs for Lampert's side were paid by his policy.



Protective insurance is there with experience and service in these

"IT IS NOT worthwhile to go round the world to count the cats in Zanzibar."

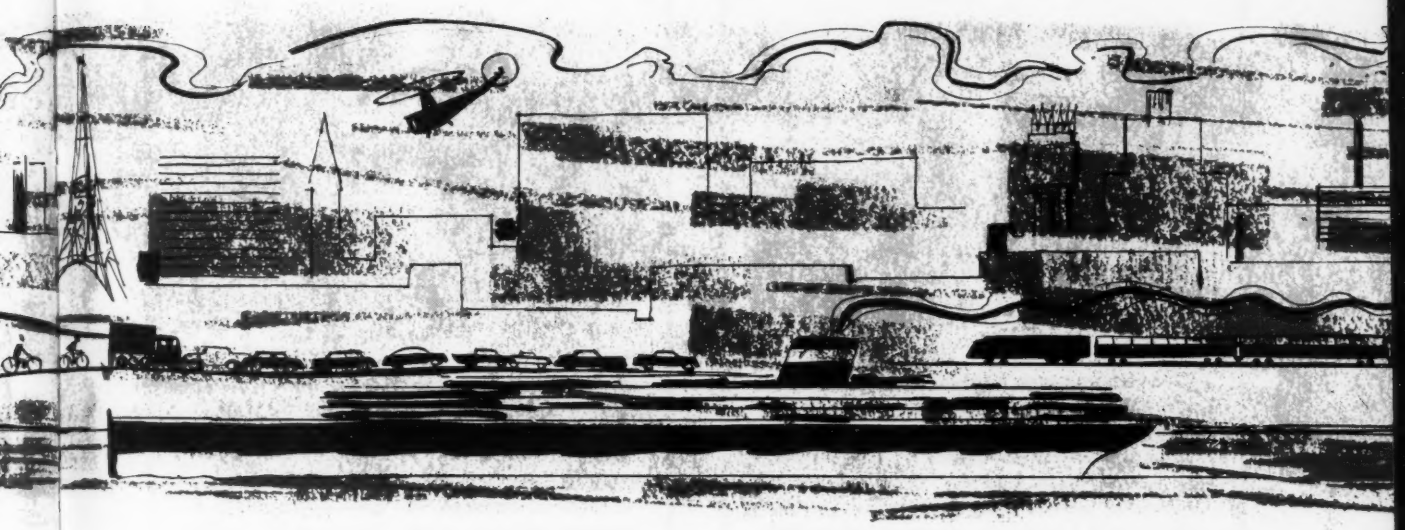
That's the way Thoreau felt about travel; but not so Milton Reynolds, an intrepid Mexico City resident. In January, Reynolds set the pace for travel in the 60's by flying around the world via commercial airliners in 51 hours, 45 minutes and 22 seconds, presumably not even pausing to count cats.

It was a strange beginning for what promises to be a record year in travel. Before next January, Americans will ride an estimated 785 billion passenger miles by auto, rail, bus, plane and ship—more than 4,300 miles of intercity travel for every man, woman and child. By 1965, the Transportation Association of America estimates, U. S. passengers will travel 889 billion miles, or nearly double the 1949 figure.

The facilities they use and the goods and services they require represent a major part of the U. S. economy—and constitute one of the world's biggest insurance risks. In addition to the billions in coverages taken out by public carriers, travelers themselves are making greater use of insurance tailored specifically to protect themselves and their property against all the hazards of road, sky and water.

Travel insurance, also called accident insurance, began about 1850 in Massachusetts to cover riders on the extremely hazardous railroads and steamboats of that day. For a premium of 15 cents, passengers could obtain $200 worth of protection for 24 hours, to be paid for accident-caused death or for total disability lasting 10 days or longer.

Today's travelers have a much wider choice of coverages, from $5,000 to $125,000 for accidental death or injury and $100 to $5,000 for loss or damage to luggage and personal property. The cost is still remarkably low, and the



BOOM TIMES FOR TRAVEL

coverage can be written for any period from one day to six months.

For the cost of a good meal, a tourist, conventioneer or businessman can purchase $10,000 worth of accidental death and dismemberment insurance for a 10-day trip by almost any mode of travel, to any place in the world. The traveler is protected 24 hours a day during the length of the contract, and virtually all accidental injuries are covered. (Most policies exclude war risks, but war correspondents, diplomats and others who must go into troubled areas can purchase war coverage for an additional premium.)

For each $1,000 of death benefits, most policies provide $50 or $100 worth of accident medical expense coverage to pay for hospital, surgical and nursing care required as a result of accidents. Some even provide disability income of $50 or more a week during recuperation.

Baggage and personal property insurance also is available on the same flexible basis, covering clothing, jewelry, cameras, guns, luggage, sports equipment and other personal belongings. Any items not automatically covered — including boats, pets, money and valuable papers—can be added by endorsement or separate policy.

Travel insurance has only recently become popular with the public via booths and coin-operated machines in airports, transit stations and travel agencies, but businessmen have long been familiar with its low-cost protection.

Many regular travelers, such as salesmen, rely on policies written on an annual basis and at a much lower premium. Lowest rates of all are paid by companies which buy group policies for employees — including test pilots, missile workers and executives.

Whether going to the neighborhood movie or touring the world, today's traveler is finding travel insurance a good companion. ⊙

Franklin National Bank, New York

BENJAMIN FRANKLIN

(1706-1790)

"Father" of American insurance, he organized the country's first successful fire insurance firm in 1752, the still-existing Philadelphia Contributionship for the Insurance of Houses from Loss by Fire. He'd be awed by the industry's scope today—including 2,400 mutual fire and casualty firms writing $3 billion in premiums each year. Franklin also fostered mutual protection through his crusading for fire prevention and organizing of the first U.S. volunteer fire brigade. Named to Hall in 1957.

ELIZUR WRIGHT

(1804-1885)

Outraged by abuses in early life insurance, he fought for 40 years, often alone, to make it a safe, protective investment for people. He introduced actuarial tables as a scientific basis for setting premium rates, got legal reserve and non-forfeiture laws passed, and first advocated state regulation of insurance. Appointed Massachusetts' first insurance commissioner, he also was known as the "father of life insurance in America." His work helped make it the sound industry it is now. Named to Hall in '57.

SEVEN 'GREATS' O

They're members of the profession's own Hall of Fame, symb

Columbia University

RALPH H. BLANCHARD

(1890-)

A teacher since 1911, at Columbia University since 1917, Professor Emeritus Blanchard is one of the ablest, most respected scholars and teachers in insurance. He did much to spread insurance education in U. S. colleges. Former president of the American Association of University Teachers of Insurance, he also has represented the industry on government boards and committees. He wrote textbooks, the *Dictionary of Insurance Terms*, private and government reports on insurance aspects. Elected in 1958.

ALBERT F. DEAN

(1842-1933)

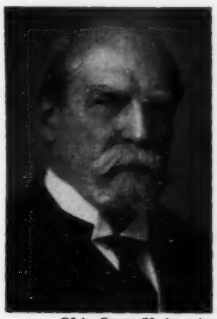
Scientific measurement of fire hazards as basis for fair insurance rates stems in large part from Dean's "Analytic System," adopted in early 1900s by more than half the states. Upset by unfair, haphazard rating he observed as a fieldman for Springfield Fire & Marine Insurance Company, he worked for years, mostly on his own time, to devise and test his method. It revolutionized rating in U. S. He also wrote widely-used mathematics textbook, and invented adding machine. Elected to Hall in 1959.

Fabian Bachrach

SOLOMON S. HUEBNER

(1882-)

His radical idea, back in 1904, that insurance merited a place of its own in curricula of college business schools, sparked a whole new field. Now 65,000 students at 460 schools study insurance each year, and Professor Emeritus Huebner is still the recognized "dean" of insurance education. He taught 49 years at Wharton School of Finance and Commerce, University of Pennsylvania. His efforts did much to bring about the professional and ethical standards of insurance today. He was Hall's first living member.



Ohio State University

CHARLES EVANS HUGHES

(1862-1948)

Later the governor of New York, U. S. Secretary of State, Associate and Chief Justice of the Supreme Court, he owed much of his rise to his fame as chief counsel for the Armstrong Committee investigating life insurance abuses in New York in 1905. Insurance owes much, too, to his relentless probing of excessive rates, financial manipulation, other bad practices. His revision of New York's code set the pattern for U. S., heralded a new age of responsibility and self-control in insurance. Elected 1958.

S' OF INSURANCE

me, *symbolizing service at its best.*

Werner Wolff, Black Star

FREDERICK H. ECKER

(1867-)

From a $4-a-week mail boy, he rose to head the nation's largest private financial institution, Metropolitan Life Insurance Company. Over the years he invested more private funds than any man in history. He and the firm he has served for 76 years typify the use of investment funds for socially beneficial purposes—low-cost housing, urban renewal, health research. They also pioneered in spreading life insurance among small policyholders, taking it out of the luxury class. Named to Hall of Fame in 1959.

OTHER HALLS OF FAME may be older and more populous, notably the National Hall of Fame at New York University (1900) and the Baseball Hall of Fame at Cooperstown, New York (1939).

But the careers of the seven men in the Insurance Hall of Fame at Ohio State University have touched the lives and fortunes of everyone in the country, directly or indirectly, and so they, too, are deserving of their places in the colonnades of the famous.

It was to pay tribute to such outstanding contributors to the insurance profession that Ohio State, in co-operation with the Charles W. Griffith Memorial Foundation for Insurance Education, established the Insurance Hall of Fame in 1957. To its present seven members, one or two more, living or dead, will be added each year by the Hall's 45-member board of electors. This year's induction ceremony will be on March 11.

Membership in the Insurance Hall of Fame is one of the greatest honors that can be bestowed on a person in the field. And, as President Eisenhower said on the occasion of the second annual induction, it is fitting to honor the leaders who "symbolize the outstanding service rendered our people by the insurance profession." ⊙

THAT MARCH WIND DEBRIS

Storm losses create some ticklish problems for property owners and insurers.

SCIENTIFIC FORECASTING may not have been the forte of ancient Roman oracles, but their advice to Julius Caesar has relevance today for homeowners: Beware the Ides of March!

Windstorms, traditionally associated with March, probably cause more problems for property owners and insurers than does any other peril. Their visits are capricious, their effects often catastrophic, and their itineraries include every state in the Union.

Higher Risks Can Be Insurance-Covered

Since 1916, windstorm property losses have averaged $110 million a year, and the potential loss is growing each year as population and property values increase. Most of the loss can be fully covered under today's broad homeowners insurance policies—but it takes no oracle to foresee trouble when an insured calls up to say a tree has blown over onto his house.

He has just been reading his policy, probably for the first time, and finds under the heading "Perils Insured Against" that the perils include "fall of trees or limbs, including their felling, topping or trimming." Further down, he also reads "this policy covers expenses incurred in the removal of debris *of the property covered. . . .*"

Without grasping the significance of the last phrase, he assumes the insurance company will pay the cost of having the tree sawed, trimmed and hauled away. The insurance adjuster then has the unhappy duty of explaining that the damage to the house is fully covered, but not the cost of carting away the fallen tree. Unless the adjuster is a genius at diplomacy, the homeowner is likely to wind up thoroughly angry and convinced he has been given the run-around.

The explanation is both simple and reasonable: Standard homeowners insurance policies cover damage to buildings resulting from trees and other falling objects, including the cost of carting away the damaged portion of the house so repairs can be made. But trees themselves are not covered against wind damage—therefore the fallen trunk and branches cannot be considered "debris of the property covered."

In the instance cited, the insurance company would pay for getting the tree off the roof, but not the cost of cutting it up and hauling it away. All this may sound like double talk to the homeowner, but it is based on the common-sense principle that maximum protection should be given to the house itself. Most people would rather apply the entire premium to protecting their homes instead of trees.

However, those who have particularly valuable trees and wish to protect them against wind can now purchase such insurance in the form of an endorsement to the new homeowners policies recently put on the market. The cost varies from $2 to $6 per $100 of coverage, depending on the wind hazard.

Whatever the hazard, mutual insurance has found that much of the damage from windstorms can be prevented.

Flying Objects a Major Hazard to Homes

In general, sound construction is the best safeguard against structural damage. Buildings well braced and bolted securely to their foundations usually stand up well against all but the most severe storms. However, roofs are especially vulnerable, and may be ripped off entirely unless firmly anchored. Chief cause of damage to composition shingles is failure to follow the manufacturer's instructions for nailing and cementing.

Assuming the house is well built, the major

Kemper Insurance

Windstorms cause $110 million in property damage each year, much of it the result of flying debris and fallen trees. New homeowners policies give coverage on all buildings, and also can be endorsed to cover trees, shrubs and plants in most areas.

damage property owners have to fear from an ordinary windstorm is from loose articles that can be picked up by the wind and sent smashing through windows.

The danger can be minimized by making sure awnings, signs, trellises and other exterior attachments are securely fastened so they cannot tear loose to become wind-blown missiles. Garbage cans, portable barbecues and lawn furniture can be stowed away when storm warnings are issued.

Picture windows too big for shutters can be given some protection by wire struts or timber braces to help them resist wind pressures. It is advisable to keep limbs pruned away from the house, and to remove the entire tree as soon as it becomes weakened by decay or ice damage.

None of these precautions will guarantee the safety of life and property from extremely severe storms such as tornadoes and hurricanes. But until the day man learns to control the weather, the safest thing he can do is to keep his insurance up to date, and batten down the hatches when that March wind blows. ⊙

Wide World

Million-dollar fire in Rome, New York, shopping center started in supermarket, spread through four other stores. Large open areas, common roofs, distance from fire departments, combustible contents are among fire hazards of many modern centers.

ULTRA-MODERN in design, but firetrap-modern in safety.

That's what fire protection experts charge against many of today's new buildings—schools, supermarkets, shopping centers, office buildings, even some of the handsome split-levels that dot our suburbs.

Tragic loss of life through the years has finally proved the folly of open stairwells and exit doors that open inward. Yet with all the advances in engineering and fire research, too many architects still are designing for death as surely as if they bolted shut the doors to prevent fire victims from escaping.

In what sometimes seem to be throwbacks to the dangerous design and practices decried in our early years by Benjamin Franklin and other fire prevention pioneers, today's architects build windowless buildings, eliminating an essential avenue of escape and of entry for firefighters. They're fond of wide open spaces, with few fire walls and doors to stop a fire from spreading when it starts. They put in air conditioning systems, arranged so they spread fire and smoke through a building faster than open stairways ever did. They eliminate skylights and provide no alternate means of venting. They design basements and courtyards with no access to the outside, and disguise fire alarms so they won't "spoil" the decor. They use glass bricks or specify windows so small or high they're useless as emergency exits—all in the name of streamlined modern architecture.

They may use fire-resistant materials for all this, and label the buildings "fire-proof" when they're through. But fires still will occur, and though a building may be "fire-proof," its contents are not—nor are its occupants. It takes more than good materials to make a building fire-*safe*, and a "fire-proof" label often does little more than lull people into a dangerous, false sense of security.

The only certain method of saving lives and property is total coverage by automatic sprinklers, properly installed and maintained, backed up by safe, sure escape exits for everyone.

Sprinklers often are shunned as too costly, despite the fact they are the surest single guarantee against loss of life and of property and often can pay for themselves in insurance savings alone. Exits won't save a building and its contents, but they are essential for people. They could cut substantially the toll of 11,000 fire deaths in the U.S. each year.

State and city building codes set some standards for exits, as for other aspects of fire safety.

DESIGNED FOR DEATH

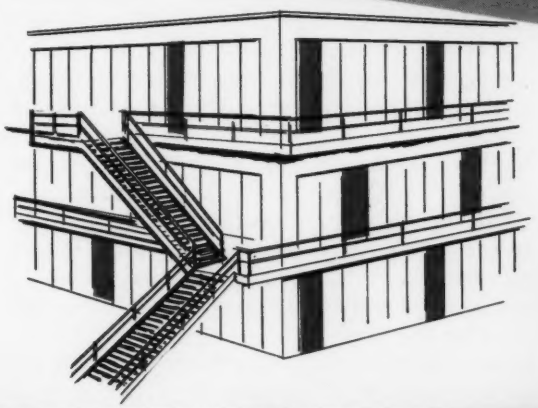
That's what critics say

of today's 'firetrap modern' architecture.

Here's a lifesaving alternative.

Safest school design known was used in new Tyee Park Elementary School in suburban Tacoma, Washington. Each classroom in separate, one-story, fire-resistive units has door to outside. Insurance cost is rock-bottom. Multi-story schools also need outside door in each room, cantilevered balconies all around, several stairways to ground level for escape (inset, right).

Charles R. Pearson



But these are bare minimums, often sadly inadequate. An architect should go beyond them, and design above all else for human safety. Likewise, every building owner, every school board, hospital or church official should demand safety in design—and be willing to pay for it.

It may be that our schools will set the pace. Since 95 pupils and teachers died in the Chicago school fire 15 months ago, school officials throughout the country have been paying increased attention to fire safety. They should, since an average of 12 school fires occur in the U. S. daily.

Here's How to Build A Safe-Exit School

Here, for their consideration, is a plan by which any school board can insure the safety of its pupils and teachers through adequate exits. It was outlined at the 1959 National Safety Congress by Dale K. Auck, director of the Fire Protection Division, Federation of Mutual Fire Insurance Companies. It is supported in substance by the Building Research Advisory Board, National Academy of Sciences, and the Committee on Fire Research, National Research Council.

¶ First, require that all schools built in the future be one-story structures with every classroom having a door opening to the outside. In case of fire, each class could simply file outside to safety. An added precaution is putting the school's heating plant in a separate, fire-resistive building.

¶ Should multi-story construction be required for some reason, insist anyway that every room have an exit to the outside. Simply extend the floor slab out a few feet to make a "balcony" around each floor, support it by the cantilever principle, and build stairs to the ground at several well-separated points. Balconies should not be enclosed or they'll be no safer than inside corridors. Radiant heating could be built in to keep the walkways free of snow and ice.

¶ In existing buildings, knock out a window and replace it with a door at least in every first-floor classroom. Since the average U. S. school building is a two story structure, this alone would protect the lives of half our pupil population. A few steps to ground level completes the picture. In basement rooms, simply hang one window on hinges and build a few steps up to it.

In existing multi-story buildings, serious consideration should be given to installing sprinklers, since the cost probably would not be as great as for building balconies and stairs from upper floors. A total sprinkler system would cost under 25 cents per pupil per year, based on 50 years of usability, Auck says.

These simple principles could and should be adapted to other types of buildings too. Supermarkets, for instance, are one horrible example of modern architecture's failure to provide adequate exits. Crowded, with large open areas full of combustible merchandise, narrow aisles, and no exits but through the checkout counters or the congested rear service area, they are among our greatest potential firetraps, says John C. Thornton, chairman of the American Institute of Architects' Committee on Human Safety. Architects alone are not to blame, he adds; owners fear side doors would let customers slip out without paying.

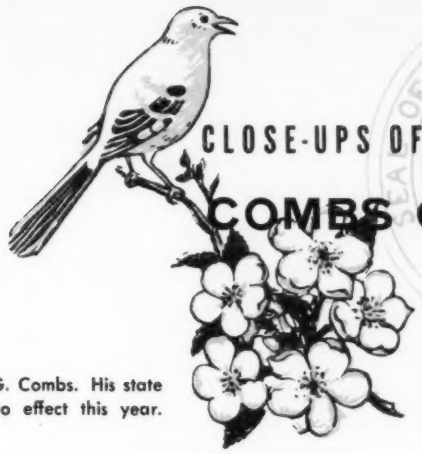
Department stores are another hazard with elevators and escalators far from exits, open stairs to the basements and too few exit doors. A store fire in Bogota, Colombia, in 1958 took 83 lives. The U. S. is due for a similar tragedy, Auck and Thornton warn, unless some drastic changes are made in store design. Modern shopping centers with their large open areas, common roofs, and, often, distance from fire department facilities, also mean new hazards.

Public Buildings Still Full of Hazards

Many other public buildings are equally dangerous. "Fire-proof" construction notwithstanding, hotels still have exit stairs leading to the lobby instead of outside. Office buildings have but one means of egress from upper floors. Churches tolerate stairs to their wide open basements. Hospitals go without sprinklers when nothing else could save bedridden patients. More than 600 people died in the Iroquois Theater fire in Chicago in 1903, nearly 500 in Boston's Coconut Grove in 1942 before any worthwhile improvement in theater or night club safety was made in municipal codes.

In the past five or six years, many architects have become increasingly aware of fire safety needs and of their own responsibility for human lives. The AIA has led the way in fostering this awareness and in urging builders to be safety-conscious too. Hopefully, before 11,000 people, or more, die needlessly in this year's fires, "firetrap modern" may give way to "fire-safe future" in the field of architectural design. ⊙

Arkansas Insurance Commissioner Harvey G. Combs. His state put an all-modernized insurance code into effect this year.



CLOSE-UPS OF OUR COMMISSIONERS

COMBS OF ARKANSAS

FOUR YEARS ago this month, an eagle-eyed lady tourist from Texas cashed in on Arkansas' official nickname—"The Land of Opportunity."

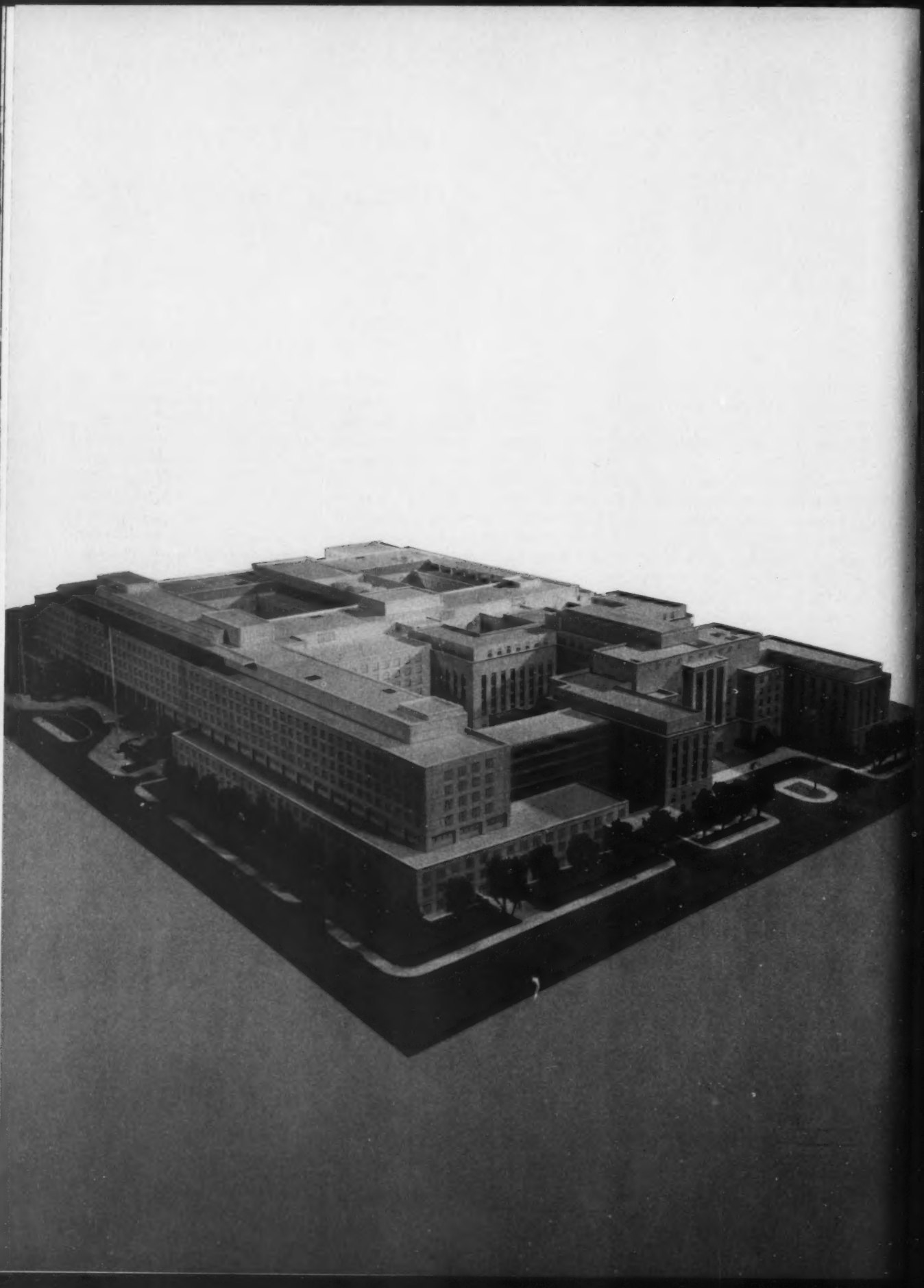
Wandering through a wooded field near Murfreesboro, Mrs. A. L. Parker, Dallas, picked up and thereby became three-fourths owner of the diamond known today as the "Star of Arkansas," valued at $75,000. To date, Mrs. Parker remains the unchallenged champ among 500 lucky visitors to Arkansas' Crater of Diamonds, the only natural source of the gems in all of North America.

A monopoly on diamond hunting, however, is far from Arkansas' only asset. The state also leads the nation in production of barite, bauxite, novaculite-whetstones and syenite, and is among the top producers of rice, broilers, manganese, cotton, spinach, soybeans and strawberries. Rooted in agriculture and mining, Arkansas' economy since 1940 has been steadily shifting its emphasis to the manufacturing of consumer goods. Today the state produces important quantities of light bulbs, roofing, shoes, paper, furniture, rugs and fishing tackle.

Reflecting the state's overall economic expansion, "Arkansas has kept pace with the nation in the growth of its insurance industry," reports Insurance Commissioner Harvey G. Combs. "The income of the insurance department, derived from taxes and fees paid by companies licensed in the state, offers a good yardstick. There has been no appreciable increase in the rate of taxation and fees applicable to insurance companies, yet the income of the department has quadrupled since the beginning of World War II."

State revenue from insurance currently amounts to nearly $3½ million annually, approximately $1½ million a year more than it was when Commissioner Combs took office in 1953. Fire and casualty insurance premiums alone recently climbed $13 million in one year, with mutual insurance accounting for more than $8 million of the increase. Another growth sign: Organization of new companies, virtually unpracticed for 25 years, has increased markedly since 1947.

Arkansas' insurance department, which regulates the operations of the state's 750-company industry, was created in 1917. Combs is its ninth commissioner, and one of three who have served under two different administrations.

A law graduate of Cumberland University in Lebanon, Tennessee, Combs was an attorney for the Missouri Pacific Railway Company for more than 30 years before his appointment as commissioner. Active in the National Association of Insurance Commissioners, he recently served as NAIC zone chairman and is the present federal liaison committee representative for the states of Arkansas, Colorado, Kansas, Nebraska, New Mexico, Oklahoma, Texas and Wyoming. ⊙

Discovered by DeSoto, Hot Springs is famed for hydro-therapy. It is the only American city surrounded by a national park.
Arkansas Publicity and Parks Commission